

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 3, 2005

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 37-05 and 38-05 are tentatively set for November 17, 2005 and December 1, 2005. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

CASE 13587: *Application of Lanexco, Inc. for an infill gas well within an un-prorated gas pool [exception to Division Rule 104.D (3)], Lea County, New Mexico.* Applicant seeks to simultaneously dedicate the following two wells within a single 80-acre non-standard gas spacing unit comprising the W/2 SW/4 of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico (approved by Division Administrative Order NSP-1443), within the un-prorated Hare-San Andres Gas Pool (78080): (i) existing Robert Well No. 1 (API No. 30-025-28664) located at a standard gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 21; and (ii) proposed Robert Well No. 2 (API No. 30-025-36826) located at a standard gas well location 1650 feet from the South line and 660 feet from the West line (Unit L) of Section 21. This unit is located approximately 1.5 miles north-northwest of Jal, New Mexico.

CASE 13588: *Application of Energen Resources Corporation for an unorthodox infill coal gas well location, San Juan County, New Mexico.* Applicant seeks an exception to the well location requirements provided the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," set forth in Division Order No. R-8768, as amended, for an unorthodox infill coal gas well location within an existing 320-acre lay-down gas spacing unit comprising the S/2 of Section 29, Township 29 North, Range 10 West, which is located approximately 4.5 miles east by south of Bloomfield, New Mexico. The applicant's proposed Keyes "29-10-29" Well No. 2-S (API No. 30-045-33315) is to be drilled at an unorthodox coal gas well location 160 feet from the South line and 525 feet from the East line (Unit O) of Section 29. This unit is currently dedicated to Applicant's Keyes "29-10-29" Well No. 2 (API No. 30-045-28713), located at a standard coal gas well location 1210 feet from the South line and 1670 feet from the West line (Unit N) of Section 29.

CASE 13566: *Continued from October 6, 2005, Examiner Hearing*
Application of Unit Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Monte Carlo Fed. Com. Well No. 1, to be drilled from a surface location in the SE/4 NE/4 of Section 1 to a bottomhole location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles east-northeast of Atoka, New Mexico.

CASE 13242: *Reopened – Continued from October 6, 2005, Examiner Hearing*
In the matter of Case 13242 being reopened pursuant to the provisions of Division Order No. R-12133, which order promulgated temporary special pool rules for the Querecho Plains-Strawn Pool in Lea County, New Mexico, including provisions for 80-acre spacing units and designated well locations. Operators in the Querecho Plains-Strawn Pool shall appear and show cause why the temporary special pool rules established by this order should not be rescinded.

CASE 13243: *Reopened – Continued from October 6, 2005, Examiner Hearing*
In the matter of Case 13243 being reopened pursuant to the provisions of Division Order No. R-12134, which order promulgated temporary special pool rules for the Young-Strawn Pool in Lea County, New Mexico, including provisions for 80-acre spacing units and designated well locations. Operators in the Young-Strawn Pool shall appear and present evidence to show cause why the temporary special pool rules established by this order should not be rescinded.